



State of California

Employment Training Panel

Arnold Schwarzenegger, Governor

July 30, 2009

Mr. Shigenori Hamada, President
shamada@khmca.com
KYOHO Manufacturing California (KHMCA)
2222 South Sinclair Avenue
Stockton, Ca 95215

Dear Mr. Hamada:

RE: **FINAL MONITORING VISIT REPORT** for KHMCA – ET08-0109

Attendees:	KHMCA Representatives: Annette Jones, General Manager, Vicki Lapp, HR Specialist and Miki Gress, HR Assistant ; ETP Representative(s): Kristie Ohta, ETP Analyst		
Visit Location:	Teleconference		
Date of the Visit:	May 21, 2009	Beginning/End Time:	10:00 am – 11:00 am
Term of Agreement:	July 2, 2007 July 1, 2009	Agreement Amount:	\$883,120
Training Start Date:	July 2, 2007	Reimbursement Amount:	\$19.00
Date Training must be Completed:	March 30, 2009	Number of Trainees to Retain:	140
Type of Trainee:	Retrainee	Range of Hours:	120 - 400
Action Required:	NO	Weighted Ave. Hours:	332
		Recommended Hours for Progress Payment 1	120

Final Report Summary:

- **History Of Agreement Changes**

The Agreement was executed on 09/14/07 and training began on 07/02/07. Your staff reported that all training was completed on 03/30/09, which allows for the 90-day retention period to be completed within the term ending date of the Agreement 07/01/09

During our April 28th, 2009 “pre-final visit” Ms. Jones and Ms. Lapp advised Ms. Ohta that KHMCA has enrolled in the Employment Development Department’s Work Share Program for 140 of their employees. KHMCA work-share participation is in place for 150 KHMCA employees, and was approved on January 25, 2009 and will continue through July 25, 2009 at this time. On June 12, 2009 Ms. Ohta received notified ETP’s Fiscal unit of KHMCA’s

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participation in the Work Share Program, Ms. Ohta also advised ETP's Fiscal that some trainees may complete the standard retention period of 90-consecutive days working 35 hours a week; or 500 hours within 180 days, depending on when the trainees completed training.

- Interview with Ms. Lapp, HR Specialist and Annette Jones GA,GM
- What barriers, if any, did your company experience in implementing your ETP project?
The program started before our training plan. The processes to be trained were not scheduled. HR didn't know what was going to be trained or when. HR didn't have a roster system in place to track the rosters and we did not have standardized work for the entire process between production and HR. We were a start-up company and it was the first time I (the HR Specialist) had heard of ETP so I did not foresee any challenges that we faced.
- What problems, if any, did your company experience with ETP record keeping?
No standardized work for the rosters and the data entry. Unfamiliarity with the ETP reporting and training data entry system. The roster maintenance got complicated mid way because there was not standardized work.
- What assistance could ETP have provided that would improve the process for future Contractors?
Standardized work (procedures) or suggested company procedures on: internal rosters and the management of the rosters. Training on all the types of reports available and knowing the report to run and when to run so we know our current condition monthly. Guidelines for understanding the three phases of invoicing, understanding that each company is different.
- How did your company benefit from the ETP training?
KHMCA was able to fulfill their objectives in training 140+ team members internally in operating state of the art machines and equipment, lean manufacturing processes, problem identification and problem solving, continuous improvement (Kaizan) and effective communication. Additionally, I would like to add Kristie Ohta and Julio Basquez were absolutely supportive during the entire contract period and both are very customer service oriented. Despite our challenges during our first contract with ETP, it was a positive experience! Thank you!

Project Status:

Planned Number of Trainees:	140	Total Agreement Training Hours:	42,000
Trainees Enrolled:	273	Training Hours Recorded:	72,054
Trainees Started Training:	273	Potentially Reimbursable Hours:	42,000
Number of Trainees Dropped:	102	Number of Trainees Completed Training:	213
Completed 8 hours:	213	Trainees in Retention:	140
Completed Minimum hours:	213	Trainees Completed Retention:	73

KHMCA records show that 213 trainees have completed training and 90 day retention period (152% of planned retentions). KHMCA projects earnings to be \$883,120 (100% of the encumbered total \$883,120). Current records show that KHMCA has received \$ \$662,340 in progress payments, of which \$662,340 has been approved as earned. Ms. Ohta advised KHMCA the final fiscal closeout payment can not be made until mid September 2009, due to trainees in retention needing to complete 500 hours within 180 days.

Attendance Rosters:

Ms. Ohta reviewed a sampling of 150 class/lab rosters for each participating employer to ensure they are being completed correctly and to ensure the accuracy of the information input. You normally use ETP's approved multiple day / multiple trainee roster. All rosters reviewed met Panel requirements for documenting this training. This finding is based only on the training records reviewed during this visit and represents only a sampling of the training records completed to date. It is your responsibility to ensure that all training records are in compliance with Panel requirements for auditing purposes.

All records will be retained within the control of the primary contractor and shall be made available for review at the contractor's place of business within the State of California.

Invoices:

Ms. Ohta and Ms. Lapp processed invoice 7 and 8 for a combined total of \$178,631.25. Ms. Lapp plans on submitting KHMCA's final fiscal close-out invoice mid September 2009.

Location Of Training:

All training took place at KHMCA's facility in Stockton, and NUMMI's facility in Fremont California.

Audit:

KHMCA will be notified in writing if this agreement is selected for an audit, conducted either at your site (field audit) or by telephone (desk audit or "review"). The Audit Notification and Audit Confirmation letters will be sent in advance to allow ample preparation time and will include a list of documents that will be examined by the auditor. To provide support of training, original training attendance documentation is required; photocopied records are not acceptable. Listed below are types of records typically requested during an ETP field audit:

- Training attendance records such as rosters, sign-in sheets, etc.
- Payroll records of individual trainees to verify wage and hours worked
- Personnel records regarding occupation and dates of employment
- Documentation of employer paid health benefits (if applicable)
- Cash receipts to verify receipt and accounting of ETP funds

Record Retention:

Records must be retained within your control and be available for review at your place of business within the State of California. This responsibility will terminate no sooner than four (4) years from the date of the termination of the Agreement or three (3) years from the date of the last payment by ETP to the Contractor, or the date of resolution of appeals, audits, claims, exceptions, or litigation, whichever is later.

If you have any questions regarding your contract or the contents of this Report, please contact ETP at 916.327.5239 within ten (10) working days upon receipt of this document.

Sincerely,



Rosa Hernandez, Manager
Sacramento Regional Office



Kristie Ohta, Program Analyst
Sacramento Regional Office

cc: Vicki Lapp – vlapp@khmca.com
Miki Gress – mgress@khmca.com
David Guzman, Chief, Program Operations Division
Kulbir Mayall, Manager, Fiscal and Certification
Master File
Project File

Date report mailed to Contractor **